

Chapter 1

The Basics

WHAT IS A PROJECT?

Before we can begin our journey through the land of project management, we need to cover a few basics. The first question we need to address is what exactly is a project? For example, is building a custom house a project? What if you're a developer and you have a crew that builds a standard house over and over again? Is that a project? The first example, the custom house, is a project, but building the standard house is a business process. Let's examine the similarities between projects and business process:

- ✓ Both turn inputs into outputs through a series of tasks or activities. In our example, these activities would include digging a foundation, framing the house, roofing, and so on.
- ✓ Both produce outputs or products when they are completed. The output of the project is a custom house. The outputs of the business process are standard houses.

Obviously, projects and business processes are not the same thing. Let's examine the differences:

THE BASICS

First, building a single custom house is a temporary event, not a repetitive one. You build one house and then you're done. If you continually build houses, then the process of house building is repeated each time a house is built. Second, when you build a custom house, the output is unique. There's no other house exactly like it. When you build standard houses, each one is basically the same. Third, if you build one house, you pull together a team of subcontractors and assign them tasks to do. If your business is building standard houses, you already have plumbers, electricians, carpenters, and other crafts people on staff who work on one house and then move on to the next. (See Table 1.1.)

Let's look at another example. What if you were to design and install a new process for ordering and fulfilling products (taking the order, picking, packing, shipping)? Is that a project? Well, it's temporary; once you install the process you wouldn't be designing and installing it again. It produces a unique deliverable—a fulfillment process that is ready to run—and there are no predefined jobs for designing or installing fulfillment processes within your company. Therefore, creating a fulfillment process satisfies the criteria for a project.

What about running the order/fulfillment process once it's installed? Is that a project or is it a business process? You are going to be taking and filling orders on an ongoing basis, which means you'll be repeating the same process over and over again. And you'll get the same output each time—shipped boxes. Finally, you'll have people assigned

TABLE 1.1 Projects vs. Business Processes

<i>Project</i>	<i>Business Process</i>
1. Temporary: has a beginning and an end	1. Ongoing: The same process is repeated over and over again
2. Produces a unique output or deliverable	2. Produces the same output each time the process is run
3. Has no predefined work assignments	3. Has predefined work assignments

What Is Project Management?

who do the ordering and picking and packing, so, yes, the running of the order/fulfillment process is a business process.

So, if you are creating something new—a new software application or a new training program, or if you want to improve something like redesigning a process or a product or changing the way a service is delivered—you've got yourself a project. If you want to continue doing what you've done in the past, you are working in a business process. Business processes are managed using process management. Projects are managed using project management.

WHAT IS PROJECT MANAGEMENT?

Project management is a set of tools, techniques, and knowledge that, when applied, helps you produce better results for your project. Trying to manage a project without project management is like trying to play football without a game plan. The coach would get the players together and say, "How should we play this game? We're supposed to get more points than the other team and to do that we have to score goals. Now everyone go out and do what you think needs to be done in order to win."

What are the chances that the team will win? Not very high. What's missing? A game plan for how to go about winning. The coordinated execution of the game plan. A process for revising the game plan based on how the game progresses. In a project, these elements are provided by project management.

Most teams approach projects in the same way that the team described above approaches football. They get a project assignment and they start playing. Then they get together when there is a crisis and there are usually lots of them because they're playing without a game plan. When and if they ever complete the project, the team disbands, hoping never to have to repeat the experience again. Why would a team do this? First of all, they may not be aware that there is a method available that will help them to create a game plan. Secondly, they may be under the mistaken impression that creating a game plan will delay

THE BASICS

the project. Not taking the time to create the plan actually increases the length of the project. When you invest in following a method, you save time overall. (See Figure 1.1.)

Project management provides you with a process that you can follow, a series of moves that will help you address some basic questions before you dive into getting the work done, questions such as what are you going to produce? What is it the customer wants and needs? Who is going to do the work? How long will it take? How much will it cost? What might go wrong? How can you avoid potential problems? These questions are addressed up front so that the work can proceed smoothly and efficiently.

In addition to helping you plan, a project management method also helps you to keep a project on track, solving problems as they

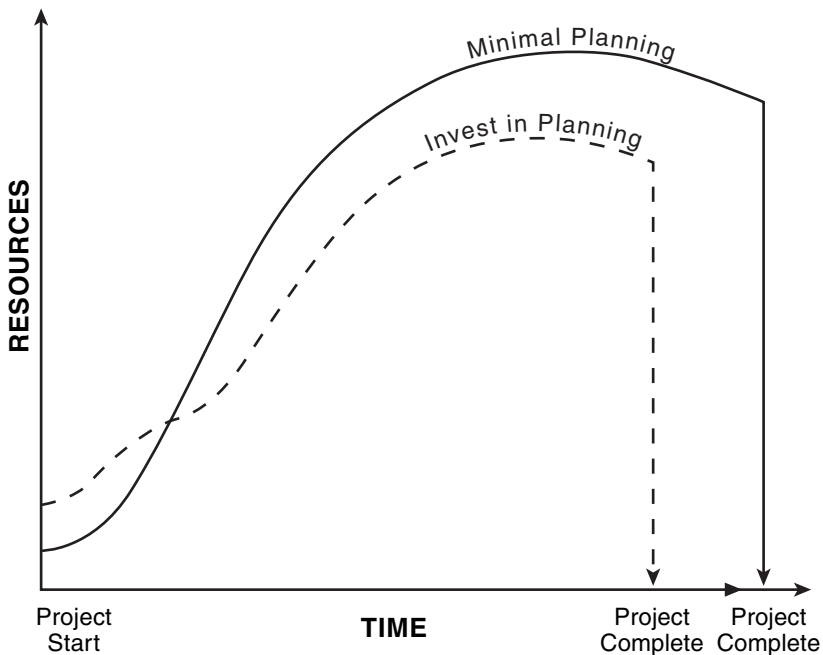


Figure 1.1 Investing in planning vs. minimal planning.

Characteristics of a Project Management Method

arise. It helps you manage changes that might be required for the project. For example, maybe the prospective homeowner for the custom-house project decides he or she just can't live without a screened-in porch. This requires a change to the plan. Finally, project management helps you to learn from what has happened during the project so that you can create better results for your next project.

CHARACTERISTICS OF A PROJECT MANAGEMENT METHOD

A method is a system for getting something done. If you are doing a project on your own, you can use whatever system works for you. However, when you work with a group of people, you need a common project management method because the project team must work together. There are two approaches the team could use for coming up with a method. One, they could invent one themselves, or two, they could use an already developed, proven methodology.

The value of using a proven method is that the work of developing the method has already been done for you. It's been tried and tested. That allows you to focus on what's really important—the content of the work.

The methodology we'll be discussing in this book is called the CORE Project Management™ method or CORE PM™ for short. CORE stands for:

- ✓ Collaborative—It can be used in a participatory mode with project teams.
- ✓ Open architecture—It can be used with any type of project, in any type of organization.
- ✓ Results oriented—It will help you produce successful projects that satisfy the customer.
- ✓ Easy to use—The step-by-step approach makes it easy to follow.

THE BASICS

CORE PM was developed by the authors using the latest management technologies, such as the new accountability, total quality, theory of constraints, empowerment, teaming, and, of course, project management. Project leaders and teams all over the world, in all types of projects, have used this method. It has proven to be both easy to use and highly effective. As you'll see, it's best used in a participatory, team-based environment where the entire team is involved in planning and monitoring the project, but it can also be used by just the project leader if the project leader is planning and monitoring singlehandedly. The former is known as participatory project management and the latter as directive project management. Let's explore the differences.

DIRECTIVE PROJECT MANAGEMENT

The directive approach represents old management technology. It assumes that the project manager is the person who can do the best job of planning and controlling the project. The project manager does the planning and then delegates tasks to the team members. He or she then follows up with individual team members to make sure they are completing their tasks on time. Communication flow is primarily between the team member and the project leader. If a problem is encountered, it's up to the leader to solve it. (See Figure 1.2.)

Although the directive style is useful in some circumstances because it saves time in planning the project, it has a number of significant downsides:

- ✓ The whole project takes longer because the phase in which the work gets done (called execution), which is the longest phase of any project, takes longer due to confusion, misunderstandings, and rework (having to redo work because it wasn't done right the first time).

Participatory Project Management

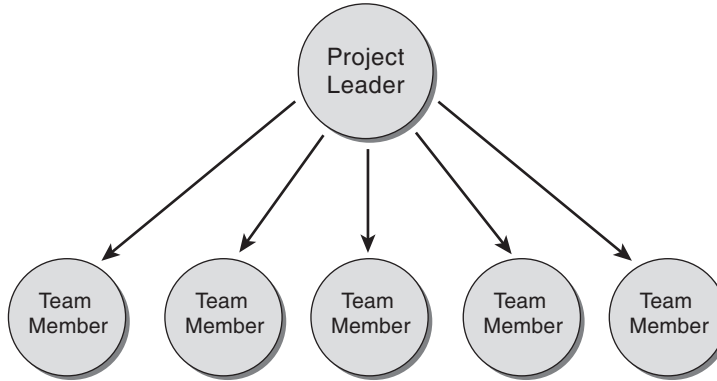


Figure 1.2 Directive style of communication.

- ✓ Team members have little understanding of the project as a whole or how their work fits into the big picture.
- ✓ There is little team ownership or commitment to the project.

PARTICIPATORY PROJECT MANAGEMENT

Participative project management represents the newer management technology for projects. The project leader facilitates the project management process, leading the team through the steps of planning. The team, under the direction of the project leader, monitors the progress of the project as the work is completed. Decisions about the work are made with the involvement of the team and communication flow is not only up and down from team members to the project leader, but across the team as well. (See Figure 1.3.)

The benefits of a participative approach are:

- ✓ Each member of the team understands how his or her individual piece of the project fits into the big picture.
- ✓ More ideas are generated.

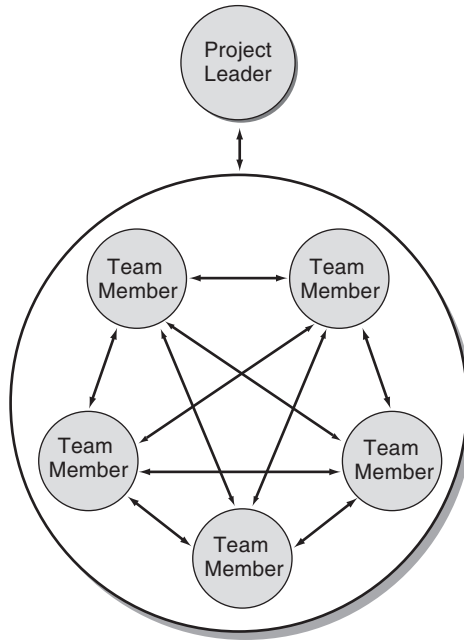
THE BASICS

Figure 1.3 Participative style of communication.

- ✓ Better decisions are made when everyone participates.
- ✓ Participation creates ownership, which strengthens commitment and accountability.
- ✓ Team morale is usually higher.
- ✓ There is less rework.
- ✓ Individual and team performance is increased.

A participative approach generally provides for better project results. The CORE PM method, which we will discuss in this book, is the most widely used participative method available today.

Both directive and participative approaches depend on people. Nothing happens without the cooperation of people. Let's explore the role that people need to play in producing a successful project.

Project Leader Role

ROLES IN PROJECT MANAGEMENT

There are usually a number of people who are either directly involved in a project or who have a stake in its outcome. These people are called stakeholders. The key stakeholders in most projects are:

- ✓ Project leader—The project leader, also known as the project manager, is the head of the project.
- ✓ Project team member—Project team members produce the outputs, called deliverables, for the project. They also participate in the project management process.
- ✓ Sponsor—The sponsor is the management person who acts as a liaison between the management team and the project leader.
- ✓ Project customer—This is the person or group that will accept the final deliverable(s) that the project produces. The final deliverable is the final output and it is delivered to the project customer, whose needs and requirements are what drive the project.
- ✓ Resource managers—Resource managers, also known as functional managers, usually provide the resources, particularly the people who are involved in the project.

There may be other stakeholders as well, such as members of departments that will be impacted by the deliverables of the project. Let's examine each of the key stakeholder roles in more detail.

PROJECT LEADER ROLE

The project leader is also referred to as the project manager. However, in a participative approach, the main role for the project manager is leadership, so we refer to him or her as a project leader. The role of the project leader is to

THE BASICS

- ✓ Provide direction to the project team.
- ✓ Lead the project team through the project management process (creating and executing the project plan).
- ✓ Obtain approvals for the project plan.
- ✓ Issue status reports on the progress of the project versus the plan.
- ✓ Respond to requests for changes to the plan.
- ✓ Facilitate the team process, which is the interpersonal process by which team members develop as a team.
- ✓ Remove obstacles for the team so they can complete the project.
- ✓ Act as the key interface with the project sponsor.
- ✓ Act as the key interface with the project customer.
- ✓ Call and run team meetings.
- ✓ Issue the final project report.

The essential role of the project leader is to lead the project team through the project management and team processes so that they complete the project successfully. The project leader is accountable for the overall success of the project.

PROJECT TEAM MEMBER

The project team member sits on the project team and is critical to the success of the project. The project team member's role is to

- ✓ Provide technical expertise.
- ✓ Provide ideas that can help the team create quality deliverables, on time and within budget.
- ✓ Ensure that his or her part of the project work gets completed on time.

Sponsor Role

- ✓ Communicate issues back to the project team.
- ✓ Participate in the project planning process.
- ✓ Interface with the suppliers for his or her area.
- ✓ Keep the boss informed on project issues, as required.
- ✓ Keep the commitment he or she makes to the project.
- ✓ Help to keep the project on track.
- ✓ Provide updates to his or her resource manager on the status of the project.
- ✓ Help to keep the team process and content on track.

The project team member has an active role to play in a participatory style of managing a project. The project team member not only provides technical expertise and produces deliverables, but he or she also helps in the planning and monitoring of the project. The project team member is accountable for ensuring that his or her work contributes to the overall success of the project.

SPONSOR ROLE

The sponsor is someone from management who has been designated to oversee the project, to help ensure that it satisfies both the needs of the customer and the needs of the organization. The sponsor is sometimes called the project champion.

The role of the sponsor is to

- ✓ Initiate the project by selecting a project leader.
- ✓ Make sure that the project's objectives are in line with the strategic direction/goals of the organization.
- ✓ Provide overall direction to the project.
- ✓ Make sure the team has the resources required to complete the project successfully.

THE BASICS

- ✓ Obtain commitment from the resource managers to support the project.
- ✓ Review and approve the project plan.
- ✓ Review status reports.
- ✓ Review progress on the project with the project leader.
- ✓ Help to remove obstacles that can't be overcome by the team or the project leader.
- ✓ Mentor or coach the project leader.
- ✓ Review and approve the final report.

The sponsor makes sure that the project leader has the resources, training, support, and cooperation he or she needs to get the job done. The sponsor is accountable for the success of the project leader.

What happens if you don't have a sponsor? Then your boss or the project customer, if that customer is inside the organization, will need to act as the sponsor. The sponsor connects the project to the needs of management. It's very risky to start a project without one.

PROJECT CUSTOMER ROLE

A project exists to satisfy a customer. The project customer is the recipient of the main output of the project, called the final deliverable. In order to make sure the final deliverables satisfies the customer, the customer must convey to the project team what the needs and requirements for the deliverable will be.

A customer can be internal or external to the organization. Most projects are done for internal customers (customers inside the organization), although the final deliverable produced by the project might eventually be distributed to or purchased by an external customer.

Suppose you were working on a project to develop a new heart monitor for infants. The project customer is probably your marketing department because it's their job to sell the monitor to the eventual buyers, the hospitals. The patients who would be hooked up to the

Project Customer Role

heart monitor would be considered end users of the heart monitor product. (An end user is the ultimate consumer of the product.)

Most projects are done for internal customers who then represent the needs of customers and end users outside the organization. However, some projects are done directly for an external customer. In these cases, the customer usually pays for the final deliverable directly. An example would be a project in a consulting firm to develop a customized piece of software for an external customer. The external customer would pay based on time and materials or as a flat fee for the project.

Whether the customer is internal or external, there are certain similarities in the role they must play within the project:

- ✓ Provide the project team with a clear picture of their needs and requirements
- ✓ Review and approve the charter
- ✓ Participate on the project team where appropriate
- ✓ Inform the project leader of any changes in the environment that would affect the project deliverables
- ✓ Approve changes to the project when needed to make the project a success
- ✓ Review project status reports
- ✓ Provide feedback to the project leader on a regular basis
- ✓ Evaluate the final deliverables as well as the project process

There are some additional roles that internal customers typically perform:

- ✓ Review and approve the entire project plan (External customers usually review only the scope section of the plan)
- ✓ Review the final status report

If you have a project with an external customer, it is imperative to have an internal sponsor working on the project. The internal sponsor's

THE BASICS

job is to balance the needs of the external customer with the needs of the internal organization. If your project has an internal customer, the internal customer may double as the project sponsor.

RESOURCE OR FUNCTIONAL MANAGER ROLE

The resource or functional manager is usually the overseer of the resources (primarily people) that you'll need to do the project. The people who work on the project report to the resource manager and they are then assigned to the project on either a full or, more often, a part-time basis. It is a challenge of the project leader to gain the cooperation and commitment of these people who do not report to him or her. That challenge is met most easily by using a participative project management approach.

The role of the resource manager is to

- ✓ Provide people to be project team members.
- ✓ Review and approve the project plan for their areas.
- ✓ Provide direction, as required, to the team member who represents the resource department.
- ✓ Make sure the people working on the project from the department have the appropriate level of skill and expertise to do the work.
- ✓ Make sure team members are provided with the time to complete the project, as defined in the approved project plan.
- ✓ Remove obstacles for the project team.

A project runs smoothly if everyone performs his or her role. Nevertheless, it is primarily the job of the project leader, with the help of the sponsor, to ensure these roles are fulfilled. Roles vary depending on the phase that the project is in. Let's examine the four phases, or major subdivisions, within the project management process.

The Four Phases of a Project

THE FOUR PHASES OF A PROJECT

The sequence of activities that each team must complete, from commissioning the project through its completion, is essentially the same for every project, whether the project is simple or complex, large or small, involves a few people or many people. These activities can be grouped into four project phases. A phase of a project constitutes a major set of activities that must be performed within the project management process. These four phases are done in sequence, starting with initiation and ending with close out.

Initiation

The first phase, initiation, begins after the project is selected to be a project by the management team. The purpose of the initiation phase is to provide direction to the project team about what should be accomplished and what constraints exist. The output of the first phase is a document called a charter. The initiation phase is the responsibility of the sponsor, but in most organizations, the project leader actually writes the charter document and then has the sponsor approve it. (See Table 1.2.)

Planning

The next project management phase is called planning. (See Table 1.3.) During planning, the project team develops a plan for how and when the

TABLE 1.2 Initiation Phase

<i>Phase</i>	<i>Task Description</i>	<i>Output</i>
Initiation	✓ Broad direction for the project is provided to the project leader by the sponsor. Limits, constraints, and project priorities are defined.	Charter

THE BASICS

TABLE 1.3 Planning Phase

<i>Phase</i>	<i>Task Description</i>	<i>Output</i>
Planning	<ul style="list-style-type: none"> ✓ Select the team members ✓ Define the scope of the project ✓ Define any risks associated with the project and develop ways to prevent them ✓ Determine the resources required to complete the project 	Project Plan

work will be accomplished. Planning is the most critical phase of a project, because it is in planning that decisions are made about who will do what and how to ensure everyone works together. If you skip the planning stage and let the team go off to do what they think needs to get done, the important pieces of the project puzzle will be missed. As a result, you'll end up with rework, which is expensive, time consuming, and frustrating. When you plan the work upfront so everyone understands the overall project and is on the same page, the project will go much more smoothly.

The output of the planning phase is a project plan document, which is a complete plan for how the project will be executed. The sponsor, customer, and resource managers approve this document.

Execution

After the project plan is approved, the plan is then executed. During the execution phase, the work of the project—creating the deliverables—is done. To make sure the work is on track, the team monitors project progress, and if required, recommends changes to the project plan. The team also communicates project progress to stakeholders. At the end of the execution phase, the final deliverable is delivered to the project customer. (See Table 1.4.)

The Four Phases of a Project

TABLE 1.4 Execution Phase

<i>Phase</i>	<i>Task Description</i>	<i>Output</i>
Execution	✓ Create the deliverables	Status reports
	✓ Monitor project progress	Final deliverable
	✓ Resolve issues	
	✓ Communicate progress	
	✓ Manage changes to the plan	

Close Out

After the customer accepts the final deliverable, the close-out phase begins. In this phase the customer evaluates his or her satisfaction with the project. The sponsor and the team also do project evaluations. Then the team discusses what it learned from the project and translates these lessons into recommendations for improving the organization's overall project management system. A final status report on the project is issued and included in the final project report, also known as the close-out report. This report is sent to the sponsor, customer, and key stakeholders. (See Table 1.5.)

When the close-out report is complete, the project is over. But, it's important to remember to celebrate, not only at the end of the close-out phase, but throughout the project, whenever the team has accomplished something important.

The project's phases can also be seen as a process flow chart as shown in Figure 1.4.

TABLE 1.5 Close-Out Phase

<i>Phase</i>	<i>Task Description</i>	<i>Output</i>
Close out	✓ Evaluation of customer satisfaction	Close-out report
	✓ Assessment of lessons learned	

THE BASICS

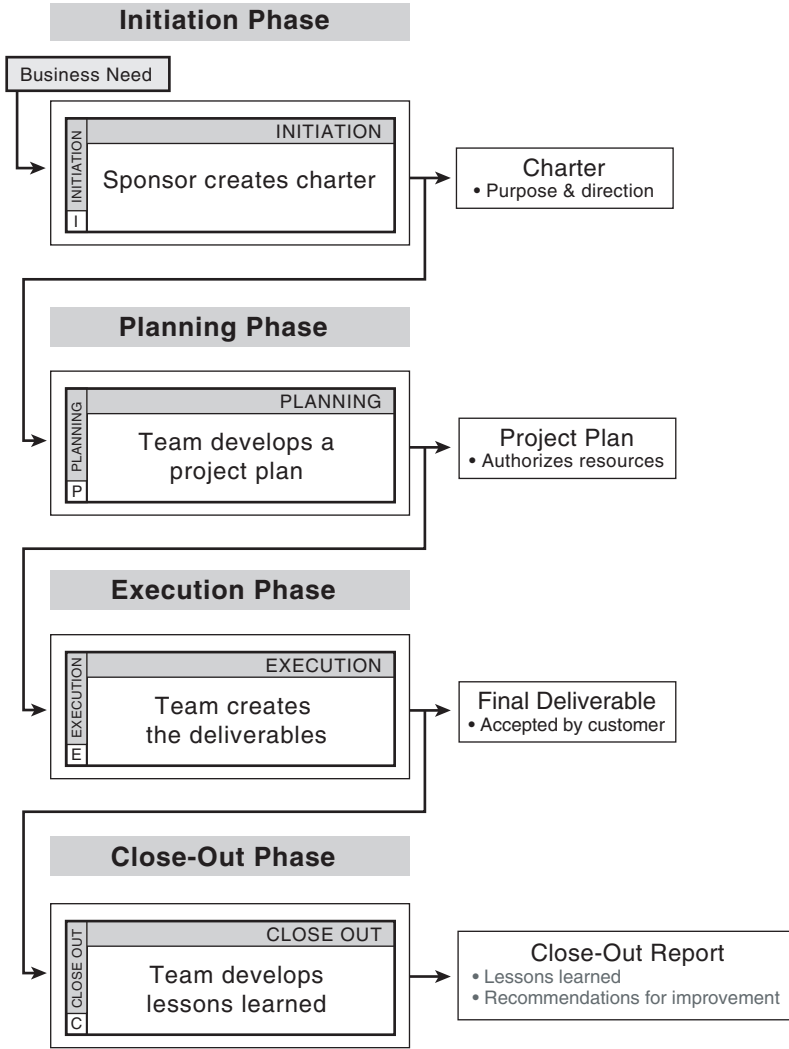


Figure 1.4 Process flow chart of project phases.

Progression of Phases

PROGRESSION OF PHASES

Each phase builds on the phases that preceded it. If you do a poor job during initiation, then the next three phases will suffer. If you do a bad job of planning, execution and close out will suffer. If you do a bad job of execution, the entire project suffers.

Each phase ends with an approval process that must be completed before moving on to the next phase. This keeps you from skipping ahead to the next phase prematurely. The approvals at the end of a phase are called phase gates. (See Table 1.6.)

One of the benefits of having approvals at the end of each phase is that it minimizes the cost of the project, because project expenditure increases exponentially as you move from initiation to planning to execution. The costs then drop off dramatically during close out. By making sure you've covered all your bases before you move to the next phase, you'll not only minimize costs, but avoid wasting time as well. (See Figure 1.5.)

Whenever you are spending significant resources, be that in actual money or in the form of people's time, it's helpful to have go/no-go decision gates, such as phase gates, that force a decision to continue with the project. If you have a medium or long project (over six months duration) you'll also want to include some go/no-go decision gates throughout the execution phase to make sure there is agreement that you're doing the right things and that the deliverables you are producing are still needed by

TABLE 1.6 Phase Gates

<i>Phase</i>	<i>Phase Gate</i>
Initiation	Approved charter
Planning	Approved project plan
Execution	Accepted final deliverable
Close out	Approved close-out report

THE BASICS

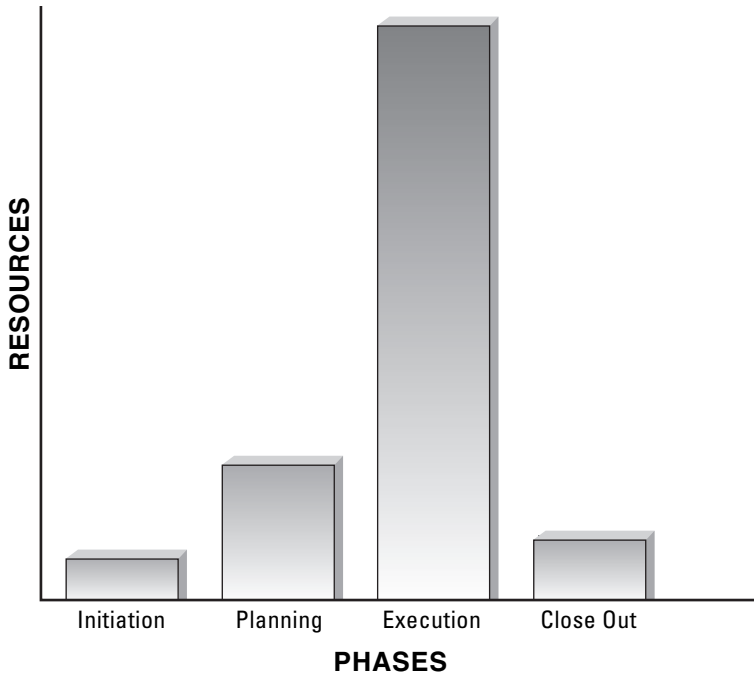


Figure 1.5 Illustration of expenditures vs. phases.

the customer and the organization. These execution go/no-go decision points are called stage gates and they should be set by the sponsor.

APPROVALS IN THE PROJECT MANAGEMENT PROCESS

The approvals for moving from one phase to another, or to pass through a stage gate should be part of the organization's project management system, which is set up and maintained by management. Suggestions for approvals in the project management process are as follows (Table 1.7):

Project Success

TABLE 1.7 Gate Approvals

<i>Project Management</i>			
<i>Process Component</i>	<i>Sponsor</i>	<i>Customer*</i>	<i>Resource Manager</i>
Charter	Write and Approve	Approve	Approve
Project Plan	Approve	Approve	Approve
Execution Stage Gates	Approve	Approve	Optional approval
Change Requests	Approve	Approve	Approve if area is affected
Close-Out Report	Approve	Receive	Receive

*When you have an external customer, you'll need to determine which documents are appropriate for him or her to review and approve.

PROJECT SUCCESS

A project is successful when the needs of both the customer and the organization have been satisfied and when there has been organizational learning as a result of the project. Customers are satisfied when you provide a deliverable(s) that meets their needs and exceeds their expectations. The deliverable can be a product (something tangible or intangible), a service, a process, a plan, or a combination of these.

Customers are delighted when the final deliverable exceeds their expectations. They are disappointed when their expectations are not met. (See Table 1.8.)

Expectations can be managed. A good rule is to underpromise what you plan to deliver. If customers expect less than what they end up getting, they are delighted. But if they expect more than they get, they will be disappointed. In both cases you have delivered the same deliverable; the only difference is what is in the mind of the customers about what they will be receiving—their expectations.

THE BASICS**TABLE 1.8 Customer Expectations**

<i>Customer Response</i>	<i>Deliverable vs. Expectations</i>
Delighted	Final deliverable exceeds expectations
Satisfied	Final deliverable meets expectations
Dissatisfied	Final deliverable falls short of expectations

The second measure of project success is that you have satisfied the needs of the organization. These needs may be such things as making a profit or developing capability in a new area of technology. The needs of the organization are represented by the sponsor and should be included in the charter.

The third measure of project success is that you, the team, and the organization learn something as a result of the project, so that next time, you or someone else in the organization can build on your successes and avoid your mistakes. This learning process should go on throughout the project and is the primary purpose of the close-out phase.

Now that we've covered the basics, it's time to march on down the road to explore the first project phase, initiation, in more depth.